

Message Text

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73

ACTION EB-11

INFO OCT-01 EUR-25 EA-11 NEA-10 IO-14 ISO-00 CIAE-00

COME-00 DODE-00 DOTE-00 FMC-04 INR-10 NSAE-00 RSC-01

CG-00 COA-02 DLOS-06 SWF-02 OMB-01 TAR-02 SPC-03

AGR-20 AID-20 LAB-06 OIC-04 SIL-01 STR-08 TRSE-00

CIEP-02 CEA-02 AF-10 ARA-16 L-03 XMB-07 PA-04 USIA-15

PRS-01 DRC-01 /223 W

----- 011084

R 291230Z MAR 74

FM USMISSION GENEVA

TO SECSTATE WASHDC 4905

INFO AMEMBASSY COPENHAGEN

AMEMBASSY ATHENS

AMEMBASSY BONN

AMCONSUL HAMBURG

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY MOSCOW

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY WARSAW

USMISSION USUN NEW YORK

USMISSION OECD PARIS

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PASS FMC FOR CHAIRMAN BENTLEY

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EO 11652: N/A

TAGS: ETRN, UN, UNCTAD
SUBJ: SHIPPING: UNCTAD CODE OF CONDUCT FOR LINER
CONFERENCES

REF: GENEVA 1932

BEGIN SUMMARY: HIGHLIGHT OF THIRBZHEN# PRESIDENT
(SRIVASTAVA) EFFORT TO ASSEMBLE COMPROMISE PACKAGE TO
BRIDGE GAP ON MAIN DIFFERENCES REMAINING BETWEEN 77,
GROUP B AND D. THIS EFFORT SO FAR UNSUCCESSFUL AND
GAP IS WIDENING. END SUMMARY

1. FOLLOWING DISCUSSION OF MAJOR DISAGREED SUBSTANTIVE
SUBJECTS IN PRESIDENT'S GROUP MARCH 20-23, PRESIDENT
PREPARED NEW TENTATIVE COMPROMISE PACKAGE WHICH HE PRE-
SENTED TO GROUP COORDINATORS SATURDAY EVENING. PRO-
POSED PACKAGE COMPRISED FOLLOWING ELEMENTS: A) CARGO-
SHARING CHAPEAU ALTERED TO RESOLVE GROUP B OBJECTION
TO AND IN INSISTENCE ON MANDATORY (I.E. APPLICABLE TO
ALL CONFERENCES) CARGO-SHARING; PROPOSAL WOULD COVER
SITUATION WHERE NO POOLING AGREEMENTS, PERMIT
NATIONAL LINES IN CONFERENCE AGREE TO ESTABLISHMENT OF
POOL, REGARDLESS OF THIRD FLAG LINE VIEWS, AND IF ONLY
ONE COUNTRY'S NATIONAL LINE WANTED POOL IT WOULD BE
ENTITLED TO SAILING ARRANGEMENT WITHIN CONFERENCE
OPERATED IN MANNER WHICH ASSURED EQUIVALENT OF NATIONAL
LINES 40 PCT SHARE; B) ON GENERAL FREIGHT RATE INCREASES
(PARAS 62 AND 64 OF CURRENTLY-NUMBERED TEXT), PARA 62,
STRONGLY SUPPORTED BY GROUP B, WOULD BE ALTERED TO RE-
FLECT CHANGE FROM PRESENT THREE-MONTH ADVANCE NOTICE
PLUS 12-MONTH FREEZE PERIODS TO 4 PLUS 11 OR 5 PLUS 10
FORMULA; ALL ADD UP TO 15-MONTH PERIOD BETWEEN EFFECTIVE
RATE INCREASES, BUT PRESIDENT'S PROPOSED LONGER ADVANCE
NOTICE PERIOD INTENDED ACCOMMODATE 77 INSISTENCE THAT
CONFERENCE NOT UNILATERALLY IMPLEMENT PROPOSED RATE
INCREASE WHILE CONCILIATION PROCEDURES UNDERWAY,
BY LENGTHENING PERIOD WITHIN WHICH CONCILIATION PRO-
CEDURE COULD BE COMPLETED; RATE INCREASE WOULD CONSE-
QUENTLY NOT BE UNILATERAL. C) TRANSITIONAL PERIOD (MOST
GROUP B'S WANT TWO OR THREE YEARS) FOR IMPLEMENTATION
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OF CARGO-SHARING PROVISIONS WOULD BE LINKED TO DATE OF
ENTRY INTO FORCE IN INVERSE RATION OF RESPECTIVE PERIODS
OF TIME INVOLVED; ENTRY INTO FORCE BY RATIFICATION 24
COUNTRIES HAVING AT LEAST 25 PCT OF WORLD'S LINER TONNAGE,
THUS DROPPING B GROUP'S GEOGRAPHIC AND CARGO-
CARRIAGE CRITERIA. D) OUTSIDER (INDEPENDENT, NON-
CONFERENCE SHIPPING LINES) ISSUE HANDLED BY DROPPING
MOST PROVISIONS RELATING THERETO EXCEPT 1) GENERAL

REQUIREMENT FOR ALLOWING "FAIR COMPETITION" BETWEEN CONFERENCES AND OUTSIDERS AND 2) BAN ON CONFERENCE "FIGHTING SHIPS." E) PRESIDENT'S PROPOSAL DID NOT GRAPPLE WITH ISSUE OF APPLYING CODE TO JOINT SHIPPING SERVICES ESTABLISHED UNDER INTERGOVERNMENTAL BILATERAL AGREEMENT, WHICH ATRONGLY SUPPORTED BY B GROUP BUT EQUALLY STRONGLY OPPOSED BY 77 AND GROUP D.

2. GROUP B REACTIONS TO ABOVE WERE PREDICTABLY MIXED WITH PACKETEERS (I.E. COUNTRIES WHICH HAD ACCEPTED PRESIDENT'S FIRST COMPROMISE PACKAGE AT NOV-DEC CONFERENCE) GENERALLY MORE FAVORABLE AND NON-PACKETEERS LARGELY OPPOSED. MOST SIGNIFICANT REACTION WAS DUTCH REJECTION OF 77 INTERPRETATION OF CHAPEAU ON CARGO-SHARING, THUS EFFECTIVELY MOVING/NETHERLANDS INTO NON-PACKETEER COLUMN, US STATED NEW CARGO-SHARING CHAPEAU STILL TANTAMOUNT TO MANDATORY CARGO-SHARING AND THEREFORE UNACCEPTABLE, INCREASE IN NOTICE PERIOD FOR GENERAL FREIGHT RATE INCREASES OBJECTIONABLE, CODE SHOULD APPLY TO JOINT SERVICES, US FLEXIBLE ON TRANSITIONAL PERIOD, AND REITERATED POSITION ON OUTSIDERS, I.E. NEED FOR BALANCE BETWEEN RIGHTS AND OBLIGATIONS.

3. AFTER COUPLE DAYS OF EVIDENTLY STRENUOUS DISCUSSION WITHIN 77 AND NUMEROUS POSTPONED MEETINGS, PRESIDENT CONVEYED TO GROUP B COORDINATOR (DEGROOT, NETHERLANDS) ON MARCH 28 REACTION OF 77 TO PRESIDENT'S PROPOSAL. DEGROOT REPORTED TO GROUP B AS FOLLOWS: A) 77 ADHERED STRONGLY TO CARGO-SHARING CHAPEAU WHICH CLEARLY MANDATED CARGO-SHARING IN EVERY CONFERENCE (PRESIDENT THOUGHT HOWEVER THERE SOME GIVE IN 77 POSITION); B) ALTHOUGH TRANSITIONAL PERIOD COULD BE AS LONG AS THREE YEARS, IT SHOULD COMMENCE FROM DATE OF ADOPTION OF CODE, (WHICH LIMITED OFFICIAL USE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
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Control Number: n/a
Copy: SINGLE
Draft Date: 29 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Review Exemptions: n/a
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Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
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TAGS: ETRN, UN, UNCTAD
To: STATE
Type: TE
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